

MAINE STATE LEGISLATURE

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DECEMBER SPECIAL SESSION

E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 70

H. P. 58

House of Representatives, Dec. 5, 1933.

Referred to Committee on Banks and Banking and 500 copies ordered printed. Sent up for concurrence.

HARVEY R. PEASE, Clerk.

Presented by Mr. Drisko of Jonesboro.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND
THIRTY-THREE

AN ACT Restricting the Ownership of Real Property by Savings Banks.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 57, § 30, repealed. Section 30 of chapter 57 of the revised statutes is hereby repealed.

Sec. 2. R. S., c. 57, amended. Chapter 57 of the revised statutes is hereby amended by adding thereto the following sections to be numbered 30, and 30-A and to read as follows:

'Sec. 30. Restriction on ownership of real property. Except as otherwise provided in sections 30 and 30-A, a savings bank shall not purchase, own, or hold any real property, except as follows:

a. Such real property as it occupies, or intends to occupy pursuant to the provisions of this and the following section for business accommodation in the transaction of its business, or such real property which it partly so occupies and partly leases.

b. Such as it shall purchase at sales under judgments, decrees, or mortgages held by it, or as it shall otherwise acquire in good faith in satisfaction of debts previously contracted by it, or in order to protect an interest it may otherwise have lawfully acquired in such property.

c. Such savings bank shall not own or hold any real property other than such prescribed in paragraph numbered a of this section, for a period

longer than 5 years after acquisition of such real property, or 5 years after the date that the provisions hereof become effective, but the bank commissioner may upon application of a savings bank grant to it in writing the power to hold such real property for a longer period if the interest of depositors will be protected and served by such extension. This section shall not be construed to prevent any savings bank from making improvements to properties owned and not occupied by said savings bank for the purposes of sale or lease.

Sec. 30-A. Limitation on bank buildings owned or leased and the furniture and fixtures therein. The cost of the real property, including the building or buildings thereon, which a savings bank occupies or intends to occupy for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which are owned by such bank, shall not at any time exceed in the aggregate 2% of its deposits, except upon the written approval of the bank commissioner. Before the erection of a building or buildings is commenced the estimate of the costs thereof shall be submitted to the bank commissioner for approval. A savings bank shall not expend for the alteration or improvement of premises occupied, but not owned by it, an amount which together with the cost of any real property, building or buildings, and furniture and fixtures which it owns, exceeds 2% of its deposits, excepting with the written approval of the bank commissioner. The cost of such alterations or improvements shall be amortized during the term of such lease, or occupancy, and before such alterations or improvements are made an estimate of the cost thereof shall be submitted to the bank commissioner for his approval. The foregoing provisions of this section shall not affect any real property and building or buildings occupied, or furniture and fixtures owned and used by said savings bank upon the date that this section becomes effective for the transaction of its business, but such savings bank shall not, except with the approval of the bank commissioner, add to such real property, building or buildings, furniture and fixtures, and shall not alter or improve such premises if the cost of such additions, alterations or improvements shall, together with other real property and building or buildings occupied, or furniture and fixtures owned and used by said savings bank, aggregate 2% of its deposits. This section shall not be construed to prohibit a savings bank from making ordinary repairs on such real property. Except as otherwise provided by law a savings bank may lease to any other corporation or person for offices, or for any other legitimate purposes, any part of the premises which it owns or occupies for the transaction of its business but which is necessary for the transaction of such business.'